

FEDERAL TRANSIT ADMINISTRATION PENTA P

(June 11, 2007)

- The Federal Transit Administration has initiated a Public-Private Partnership Pilot Program (Penta P) to explore the advantages and disadvantages of public-private partnerships (PPPs) for new fixed guideway capital projects funded by FTA.
- Projects selected will be eligible for a simplified and accelerated review process designed to reduce the time and cost associated with the New Starts process.
- FTA plans to select up to three projects to participate in the program.
- Thus far, the Bay Area Rapid Transit (BART) program and Houston Metro program have been selected for the Penta P. There is one slot remaining at this time.
- The goal of the Penta P is to study whether PPPs, in comparison to conventional procurements, are beneficial in providing new fixed guideway projects that are seeking New Starts federal funding.
- The Penta P will study projects that utilize procurement methods that integrate risk-sharing with streamlined project development, engineering, construction, operation and maintenance.
- It's anticipated that PPPs may achieve the following benefits:
 - Improvements in reducing and allocating risks associated with new construction
 - Accelerated project delivery
 - Improvement in reliability of project cost and benefit projections
 - Enhancement of project performance
- Other potential benefits allow concurrent approval of the project into Preliminary Engineering and Final Design; early issuance by FTA of Letters of No Prejudice to accelerate start of pre-construction services; flexible uses of program income; and reduction in the amount of due diligence performed by FTA, particularly involving FTA's review of user benefit projections and risk assessments.
- While the Penta P does not provide any additional money to a project, FTA will approve previously identified federal funds for a selected Penta P project once the project sponsor (transit agency) and its private partner enter into a binding public-private agreement. This agreement establishes risk-sharing and private sector incentives necessary to safeguard the Federal funding investment.

HOW WOULD "PENTA P" HELP FASTTRACKS?

- RTD is hoping to be the third and remaining selection to participate in the Penta P.
- The East Corridor, Gold Line and Commuter Rail Maintenance Facility projects are candidates for the program.
- If selected, the program will allow FasTracks to partner with private companies to implement these FasTracks projects through a streamlined federal funding process.
- Another potential advantage would be an accelerated construction schedule.